



University of California

Examination of Compensation and Other Employment Arrangements

April 24, 2006

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This document is intended for use by The Regents of the University of California and management of the University and has been completed in the context of our examination of compensation and other employment arrangements of selected University of California employees taken as a whole. This report should not be quoted in whole or in part without PricewaterhouseCoopers' prior written consent. No responsibility to any third party is accepted as the report has not been prepared for, nor is intended for, any other purpose.

Scope

- 10 year period beginning 1/1/96 and ending 12/31/05
- Definition of compensation is consistent with 1993 “Principles for Review of Executive Compensation”
- Selected individuals generally include current incumbents and past holders of the top 32 senior manager positions plus one Vice Chancellor (Celeste Rose)
 - 64 individuals included in the report
 - One employee with less than six months service in an acting capacity was excluded (David Warren)
 - Personnel files were not available for three employees (Chang-Lin Tien, Marjorie Caserio and DeWitt Bowman)

Procedures Performed

- Reviewed source data from campus payroll systems
- Reviewed source documentation, including:
 - Records contained in personnel files
 - Campus payroll records
 - W-2's
 - Other records
 - Minutes of open and closed sessions of The Regents
- Reviewed employee certifications
- Conducted interviews
- Reviewed Annual Reports on Compensation
- Evaluated adherence to University policies and standard practices

Report of Independent Accountants

- Examination of schedules prepared by management of the University
- Components
 - Schedule of Employee Compensation
 - Schedule of Other Employment Arrangements
 - Notes to the Schedules

Findings and Observations

- Certain benefits promised or paid to Selected Employees were not approved by The Regents as required by Regental policies
- Certain benefits promised or paid to Selected Employees were exceptions to University policies or standard practices and were not approved by The Regents
- Certain of the compensation items described above were not disclosed to the public as required by Regental policies

